

House Resolution

No. 29

Introduced by Assembly Member Gomez

February 4, 2014

House Resolution No. 29—Relative to outsourcing public services.

1 WHEREAS, Public services and assets are the fabric that binds
2 our communities together. They are also a ladder to the middle
3 class; and

4 WHEREAS, Faced with severe budget problems in the wake
5 of the Great Recession, state and local governments across America
6 are handing over control of public services and assets to
7 corporations that promise to operate them better, faster, and
8 cheaper; and

9 WHEREAS, Outsourcing these services and assets often fails
10 to keep these promises, and too often it undermines transparency,
11 accountability, and shared prosperity and competition - the
12 underpinnings of democracy itself; and

13 WHEREAS, Outsourcing means that taxpayers have less say
14 over how future tax dollars are spent and have no ability to vote
15 out executives who make decisions that could harm the public
16 interest; and

17 WHEREAS, Outsourcing means taxpayers are often
18 contractually limited to a single for-profit corporation; and

19 WHEREAS, Outsourcing frequently means that wages and
20 benefits for public service workers fall and the local economy
21 suffers while corporate profits rise. The American Federation of
22 State, County and Municipal Employees (AFSCME) has found
23 that of the 5.4 million people working for federal service
24 contractors in 2008, an estimated 80 percent earned below the

1 living wage for their city or region. For-profit corporations are
2 three times more likely than the public sector to employ workers
3 at poverty-threshold wages; and two million private sector
4 employees working for federal contractors earn less than \$12 an
5 hour - too little to support a family. That is more low wage workers
6 than are employed by McDonald's and WalMart combined; and

7 WHEREAS, Outsourcing means that taxpayers often no longer
8 know how their tax dollars are being spent. Meetings and records
9 that used to be open to the public can become proprietary
10 information when corporations take over; and

11 WHEREAS, The Taxpayer Empowerment Agenda is one model
12 that may help ensure transparency, accountability, shared
13 prosperity, and competition in the operation of public services and
14 assets; and

15 WHEREAS, Planks in the Taxpayer Empowerment Agenda
16 would require governments to post information about their
17 contracts online and require contractors to open their books to the
18 public, ensure that governments have the capacity to adequately
19 oversee contracts, to cancel contracts that fail to deliver on their
20 promises, prohibit law breaking companies from getting
21 government contracts, require contractors to pay their employees
22 living wages and benefits, require competitive bidding on contracts
23 that guarantee company profits at the expense of taxpayers, and
24 give public service works the opportunity to develop their own
25 plan on how to deliver cost-effective, high-quality services; and

26 WHEREAS, Recent polling shows that taxpayers oppose the
27 outsourcing of public services and assets to for-profit companies
28 and support these common sense controls to ensure that their
29 interests are protected; now, therefore, be it

30 *Resolved by the Assembly of the State of California*, That the
31 Assembly opposes outsourcing of public services and assets, which
32 harms transparency, accountability, shared prosperity, and
33 competition, and supports processes that give public service works
34 the opportunity to develop their own plan on how to deliver
35 cost-effective, high-quality services; and be it further

36 *Resolved*, That the Assembly urges local officials to become
37 familiar with the provisions of the Taxpayer Empowerment
38 Agenda; and be it further

39 *Resolved*, That the Assembly intends to introduce and advocate
40 for responsible outsourcing legislation.

- 1 *Resolved*, That the Chief Clerk of the Assembly transmit copies
- 2 of this resolution to the author for appropriate distribution.

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